Statement by the Honorable Bob Bergland
Secretary of Agriculture
to the
Committee on Agriculture, Nutrition, and Forestry
United States Senate
Tuesday, January 22, 1980

Mr. Chairman, I sincerely welcome your invitation to meet with your Committee today to discuss an unprecedented series of actions which are important to the stability and security of the world, to the economy of the United States, and especially to the pocketbooks of American farmers.

Moreover, I welcome especially the helpful and constructive suggestions in your letter of January 18 and your willingness to work with us to explore whatever legislation may be required to protect America's food and fiber producers.

First, I will describe in brief the steps taken by the President, although they are familiar to all of you, as well as the administrative actions undertaken at his direction to minimize the effects on agriculture.

Then I will review the preliminary results and our best estimates of the long-term effects of those actions, and follow my prepared statement with a discussion of your most useful suggestions of ways in which we in the administration and you in the Congress can cooperate in the best interests of all.

<u>The Background</u>

In the closing days of last year, the Soviet Union mounted the most naked sort of campaign of aggression that this world has witnessed in recent years.

Tens of thousands of Soviet troops were airlifted into Afghanistan--an independent, non-aligned country--in a clear and uncontrovertible example of aggression. President Carter describes the Soviet action as the most dangerous act of international aggression since World War II. I agree without reservation.

The Soviet action demanded a response. The severity and brutality of Moscow's violation of the rules of civilized international order could not go unanswered.

President Carter acted swiftly, firmly, and decisively.

On January 4, he announced to the nation and the world a series of steps designed to make it clear to the leadership of the Soviet Union that their actions would cost them dearly. These were his steps:

- He asked the Congress to defer action on the SALT II treaty.
- He postponed indefinitely the opening of new Soviet and American consular offices.
- He deferred economic and cultural exchanges.
- He ordered no further licenses of high technology and other strategic items, including computers and oil-drilling equipment the Soviets want very much, and a full-scale revision of U.S. export licensing policy.
- He severely curtailed Soviet fishing privileges in U.S. waters.
- And he suspended the delivery to the Soviet Union of any U.S. grain exceeding the 8 million tons which we are obligated to supply.

The President's actions were unprecedented in two principal ways. First, he chose to use trade and relations across the board, not just those in agriculture, for his response to Soviet aggression. Second, he stated his complete determination that the government would take whatever steps it needed to neutralize the effect of the suspension on American agriculture.

It is important to look at the decisions of January 4 in their historical context, especially as they compare with earlier suspensions of trade which have had serious impacts on U.S. producers.

<u>No Comparison with 1973, 1975</u>

There are two essential similarities between President Carter's order suspending agricultural sales to the USSR and those orders of his predecessors in 1973 and 1975, but there are two distinctions which are even more critical to point out.

The actions are similar in that the authority for all three suspensions came from the Export Administration Act, as amended, and in that, stated simply, the decision to withhold the sale of agricultural products has a potential for substantially decreasing domestic farm prices.

But the differences are far more crucial.

The 1973 and 1975 decisions were taken after a determination of short supply conditions for the affected commodities--in other words, simply to drive down prices or to halt their anticipated increase. These actions succeeded in that purpose.

President Carter's decision was taken on two other grounds specified in the act--for reasons of urgent national security and foreign policy considerations.

The second essential difference is that, in the first two instances, not a finger was lifted by this government to mitigate any potential losses to the American farmer. In this instance, the President said in his address to the nation on January 4, and I quote:

"I am determined to minimize any adverse effect on the American farmer from this action."

I am proud to say that the President's determination is a firm one and an absolute one. We have been taking steps, almost every day, to assure that his commitment is upheld.

Given the steps we have taken, and considering those we are pledged to take if they should prove necessary, I think that any reasonable observer must conclude that this administration is living up to that commitment.

Market Reaction to New Programs

I am not here to suggest to anyone that we have succeeded in our every objective. But I will state without hesitation that the record of the past two weeks has been extremely positive, especially when contrasted with immediate predictions of disaster, and that the outlook remains upbeat.

Mr. Chairman, market prices for most affected commodities have recovered most if not all of the decreases of the first few days after the suspension.

Our outlook for total exports, even without the Soviet Union, is for another new record and for continued growth.

This nation's commitment to expanded food aid, and our ability to deliver on that commitment, has been broadened--a step that not only alleviates the market impact on farmers but surely will be welcomed by nations with growing food deficits.

To illustrate the immediate impact of the suspension and the short-term results of our administrative steps to alleviate that impact, I have attached to my prepared statement a number of tables which display price and trade information.

Both cash and futures prices of soybeans not only have recovered to the levels of before January 4, but in fact yesterday exceeded those levels. Wheat, both on the cash market and futures contracts, has recovered almost to that level and the trend appears to be upward. Inasmuch as corn was the commodity principally affected by the decision, corn prices dropped sharply in the first days after trading resumed but the recovery is well under way and I am not even slightly hesitant in stating that those prices will be fully recovered within a very short time.

What does this mean? Put in the simplest possible terms, the series of program changes and decisions which we have put into place in the days following the suspension are successfully fulfilling the President's commitment that farmers do not bear the full burden of the suspension.

To my knowledge, this is the first time that the U.S. government ever has undertaken such a broad-based effort to protect producers from the potential effects of such a decision of the government.

The longer-term impact of the suspension and our subsequent administrtive actions can best be understood in terms of how the events of the past several days may affect our collective outlook, our agricultural system and our export markets.

It is critical to understand that a good deal of the market strength of recent days is coming from the fundamental understanding that the Soviet Union is not the whole ball game for American farm exports.

If the suspension does nothing else, one of its important side-effects may be ultimately to help us shake off this notion that the Kremlin and our export fortunes are synonymous.

The Soviet Union is not and never has been our most significant export customer. Even without additional Soviet purchases this year, U.S. agricultural exports will set new records both in volume and in dollar value. Suspending the USSR sales over and above the 8 million metric tons included in the long-term agreement, we are projecting wheat and feed grain exports this fiscal year of about 99 million tons, compared with 93 million tons last fiscal year, and export earnings of around $14.5 billion, compared with $11.4 billion for the previous fiscal year.

The Soviet share of our export market can be understood more clearly by recognizing that all other export markets have accounted for most of the growth in our export sales--and it is steady, sustainable growth that is less dependent on the rapidly-shifting currents of weather and international politics.

Offsetting Actions

The results and the outlook I have described are possible because of actions which I can best describe in three stages.

First, we had to deal with the potential immediate impact of the suspension. Approximately 13 million tons of corn and 4 million tons of wheat that had been expected to go to the Soviet Union were not going to go. Contracts between U.S. exporters and the Soviet Union for much of that grain had been executed; behind those contracts were hundreds of others--with local elevators and dealers, all the way back to the grain producer.

Failure to meet the export contracts would have resulted in a complete collapse of the market. Creditors who financed the exporters would have required that undelivered grain and forward contracts for delivery of grain be resold to minimize losses. The effect would have been a cascading of panic sales as creditors of local elevators and producers would have forced additional sales.

In short, it could have meant hundreds of millions of dollars of losses throughout the market chain, ultimately hitting the farmer hardest of all.

To avert such a collapse, we have offered to assume the contractual obligations for the undelivered grain.

The Commodity Credit Corporation (CCC) will assume contractual obligations from the exporters of corn to the Soviet Union. In this instance, the CCC can either take physical delivery of the corn, or it can sell the contract to another party.

If the CCC takes physical delivery of the corn, it cannot be sold back into the market at a price lower than $3.15 a bushel at the farm, because the law requires that the selling price must be at least 150 percent of the loan rate. If the CCC can sell the contracts to a third party, that corn will not be moved back onto the market until the farm price is above the level of January 4, before the grain shipments were suspended.

Although the President stated clearly his intention to fulfill the United States obligation to fulfill our agreement to ship the 8 million tons of corn and wheat specified in the five-year agreement with the Soviet Union, it became clear at the end of last week that the International Longshoremen's Association would not load the unshipped portion of that quantity, approximately 2.5 million tons.

Therefore, we announced on last Saturday that, in addition to assuming the contractual obligations for those quantities over 8 million tons, we would work closely with exporters and their suppliers to purchase or divert grain intended for immediate shipment to the Soviet Union in an effort to unclog the transportation and storage system.

In addition, to speed the recovery of local cash markets in those areas most seriously affected by the transportation bottleneck, we will offer to buy corn at the local level as necessary to relieve congestion.

<u>Food Security Reserve Legislation</u>

The CCC also will assume all of the contractual obligations for wheat intended for shipment to the Soviet Union. However, unlike the corn, none of the wheat will move back into the commercial market. Instead, we have pledged that we will reserve it for use in our foreign food assistance programs and we have renewed our request to the Congress for legislation which will guarantee that it never will be used for any purpose other than humanitarian assistance.

For the past two years, we have had before the Congress a request for legislation which would permit us to hold up to 4 million tons of wheat in reserve for international food assistance during periods of tight supplies and high prices. We do have authority to purchase, and we will use that authority for these purposes. But we renew our request for enactment of legislation which would require this and any future administration to use these commodities only to honor our food assistance commitments, no matter what the circumstances.

For instance, when supplies were tight in 1974, one of the first areas that were cut was food aid shipments. That reduction came precisely at a time when the need for foreign food assistance was greater than it had ever been. The cuts weren't made because policymakers were insensitive; the legal authorities available at the time precluded any other result. One had to reduce food aid allocations when supplies were tight.

This does not do much for this country's reputation as a humanitarian nation. We need precise authority that assures that government-owned grain can be used in situations where we otherwise would have to cut back on food assistance.

As you know, our appropriation for fiscal year 1980 for the Public Law 480 program is less than is required to meet our targets for food assistance. This is due in part to the fact that market prices increased substantially after the budget was submitted a year ago and, therefore, with available funds,we were not able to allocate the quantities anticipated.

Late last year we submitted an urgent supplemental appropriation request for $96 million to meet our quantity targets. As a part of our effort to alleviate the effects of the suspension, the President soon will submit to the Congress an amendment to that appropriations request for an additional $100 million to further increase our P.L. 480 program.

The requested $196 million, added to the $1.5 billion already appropriated, is expected to permit us to finance the purchase of 6.5 million tons of U.S. farm products for international food assistance in the current fiscal year, compared with 6.1 million tons in fiscal year 1979.

Finally, we announced on Saturday that the department will invite offers for the purchase of additional chicken for our domestic food distribution programs such as schools and other institutions, in an effort to remove from the market supplies which had been contracted for delivery to the Soviet Union.

Farm Program Modifications

The second set of actions was taken to isolate from the market grain still owned by farmers, as well as the grain farmers had intended to plant during the current crop year to meet expected Soviet demand.

We decided to expand the farmer-owned grain reserve by offering greater incentives for farmers to participate in that program. By doing so, the supply of grain available to the commercial market would decline, and prices would be further protected.

Specific actions taken by the department include:

- increasing the wheat loan price from \$2.35 to \$2.50 a bushel;
- increasing the corn loan price from \$2.00 to \$2.10 a bushel, with comparable increases in loan prices for the other feed grains;
- increasing the reserve release price for wheat from \$3.29 to \$3.75 a bushel-- which represents 150 percent of the new loan price;
- increasing the reserve call price for wheat from \$4.11 to \$4.63 a bushel, which represents 185 percent of the new loan price;
- increase the reserve release price for corn from \$2.50 to \$2.63 a bushel, which represents 125 percent of the new loan price;
- increasing the reserve call price for corn from \$2.80 to \$3.05 a bushel, which represents 145 percent of the new loan price;
- increasing the reserve release and call prices for the other feed grains comparable to corn;
- waiving the first year interest costs for the next 13 million tons of corn entering the reserve;
- increasing the reserve storage payments from 25 to 26.5 cents per bushel for all reserve commodities except oats, which is increased from 19 to 20 cents a bushel.

The third part of the package consists of longer-term steps together with continuous assessment of other steps which might be taken if they should prove necessary.

On Saturday, January 5, the day following the President's announcement, I disclosed that we were making available in the current fiscal year a record amount of export financing credit--$1.8 billion, and that in the coming year, fiscal 1981, we will make available a new record $2 billion in export credit.

This additional financing source will make it easier for both our traditional customers and for developing countries to meet more of their import needs through commercial contracts, with the ultimate effect of expanding even further our already growing export volumes.

We are confident that the steps we have already taken will offset the effect of the suspension on farmers now and in the near future.

But we do not know--nobody knows--how long the suspension will remain in effect. For this reason, we need to consider those actions which will keep farm prices at reasonable levels over the long term.

Although there will be no set-aside in 1980, we have full legal authority to offer a paid diversion program which would have the same effect on supply as a set-aside. We will not hesitate to implement a diversion program if the situation requires it.

Alcohol Fuels

The production of grain for alcohol fuels, better known as gasohol, could be a significant factor in future grain production and demand. Realizing that this could be a new, and rapidly developing market for our grain products, the administration has unveiled a program which could quadruple gasohol production this year, and provide enough to replace 10 percent of the nation's supply of unleaded gasoline next year.

To encourage gasohol production, expecially through small plants that can be constructed and brought on line quickly, and to encourage farmers to distill their own alcohol for fueling farm equipment, the administration is proposing a series of new and additional aids and incentives. These include:

- permanent extension of the exemption of gasohol from federal gasoline taxes;
- a 30 to 40 cent a gallon income tax credit for farmers who use alcohol as a fuel without mixing it with gasoline;
- $1 to $2 billion in loans and other assistance over the next ten years, under existing authorities, for the construction of production facilities;
- an additional $3 billion in loans and loan guarantees, under new authority, for the construction of small and medium scale production facilties.

Impact of the Suspension

During times of national crisis, the American people have always been willing to make whatever sacrifices are necessary to meet the challenges that such events pose. This is a time when some sacrifice will be called for. But I am firmly convinced that the actions we have taken will reduce the amount of sacrifice to much lower levels than one might expect.

We expect these measures to cushion any reduction in farm income that might have resulted from the Soviet suspension. U.S. net farm income has been forecast to decline about a fifth in 1980, but that decline will be due primarily to increased costs of production, especially energy. Reduced cash receipts for hogs and poultry also are a factor in the expected decline.

We are convinced that prices, over the season, will be at least as high as they would have been had we not taken the suspension action.

What we have done is to pull out all the stops to make sure that the suspension does not alter supply and demand fundamentals. By taking out of the market the bushel grain destined for the Soviet Union, there is no more grain available for trade than there would have been had the grain been delivered.

But that minimizes the scope of our actions. There are producers in your states who are going to put more into reserve than they had originally planned. That grain will not be available to the market unless wheat prices rise above $3.75 a bushel, and corn prices surpass $2.63 a bushel.

What will push prices up? Movement of grain into the reserve is one key factor. That will further tighten the available supply and exert upward pressure on prices.

Additional Export Markets

Another way to tighten the supply is to move the grain into other export channels. We are working to aggressively promote our agricultural products to other countries, and already have had considerable success.

This past week, Mexico agreed to buy 4.8 million tons of U.S. agricultural commodities during 1980, for a total of 7.15 million tons this year. Added to earlier commitments, this will be about 1 million tons, mostly feed grains, above what we had expected them to buy this year, and almost double what they purchased from us in 1979.

China has told us they expect to buy 5 to 6 million tons of corn and wheat this year, and while their contracts to date have not reached these levels, we have no reason to believe that they will not. Japan and the European Community--both of which bought more of our products than the Soviet Union--can be expected to maintain their high import levels this year.

Taxpayers will not suffer appreciably from the cost of the actions taken to offset the effects fo the suspension. We expect the total cost of those actions--the assumption of contracts, and the changes in the farmer-owned reserve--to range between $2.5 and $3.0 billion for the combined fiscal years 1980 and 1981. That comes to less than $14 per person for that two-year period.

Further, that $14 is not by any means a net cost. A significant chunk of the money we spend on these programs is in the form of loans or credits. Farmers will be putting more commodities into reserve, but these commodities will be available to come back into the market when prices move above the reserve levels. When that happens, reserve loans will be repaid, and a receipt will go back to the taxpayers. I believe that at least half the total expenditure will come back to the Treasury--which means that the net cost of these actions will be about $7 per person.

The Cost to the Soviet Union

While we have calculated the impact of the suspension on Americans to be relatively small, we expect that the reverse will be true for the Soviet Union.

Without 17 of the 25 million tons of grain that they had counted on, Soviet policymakers will be unable to sustain their long-term effort to improve their peoples' diets by increasing the amount of available meat. There will be substantially less grain to feed to livestock--5 to 11 percent less as a result of this suspension.

Nor is it likely that the Soviets will be able to purchase the grain they need elsewhere. Most of our grain trading partners--Canada, Australia, and the European Community--have promised not to replace the 17 million tons of grain we have withheld from the Soviets. The shipments from these countries together with our own grain exports account for about 85 percent of the world trade in grains.

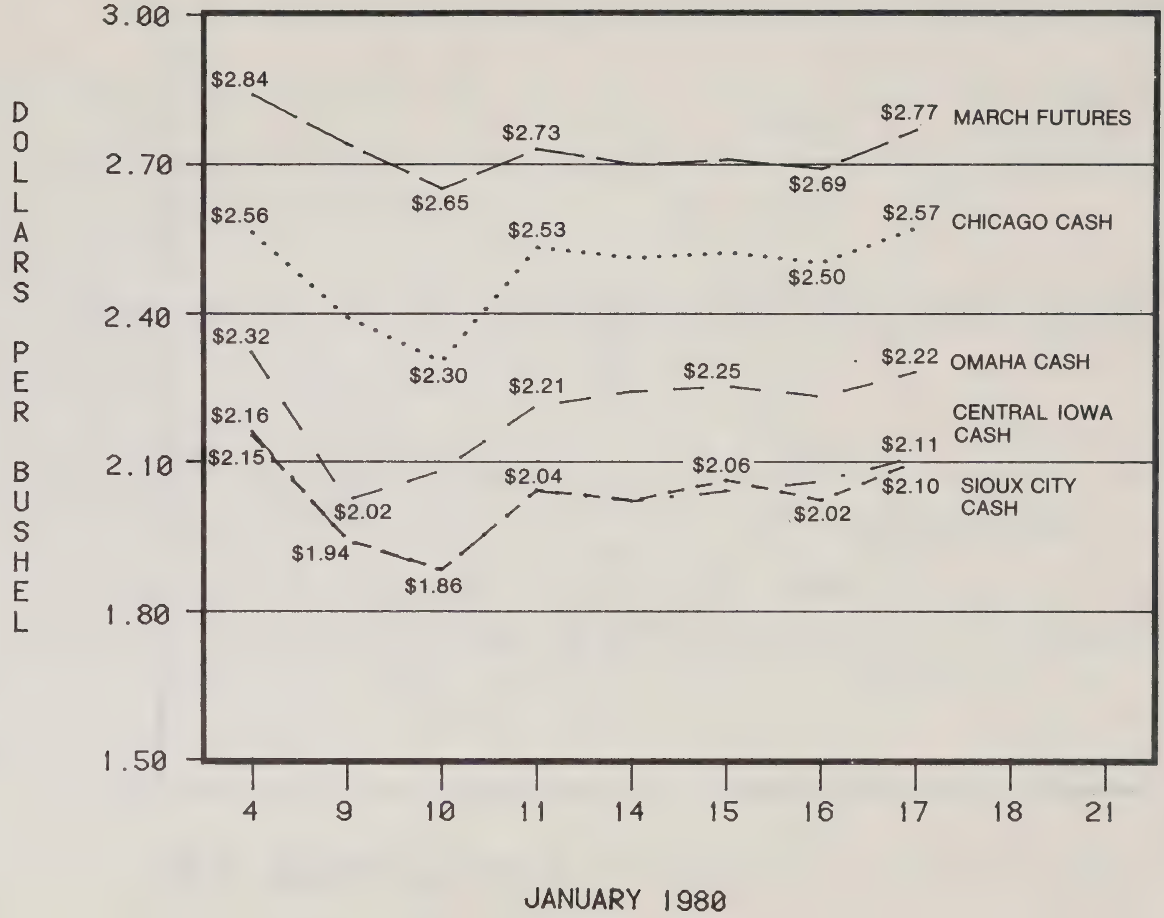
These actions could not have come at a worse time for the Soviet Union. The Soviet agricultural plant is particularly vulnerable to weather-related caprices, and this last year's grain crop was an especially disappointing 179 million tons. That is 58 million tons below the previous year's record, and 48 million tons below what their plans called for.

The Soviets have been depending on the United States for two-thirds of their grain imports. A grain suspension, together with a cutoff of high technology imports needed for industrial production, and curtailed fish supplies is likely to spell more difficulty for an already troubled domestic situation.

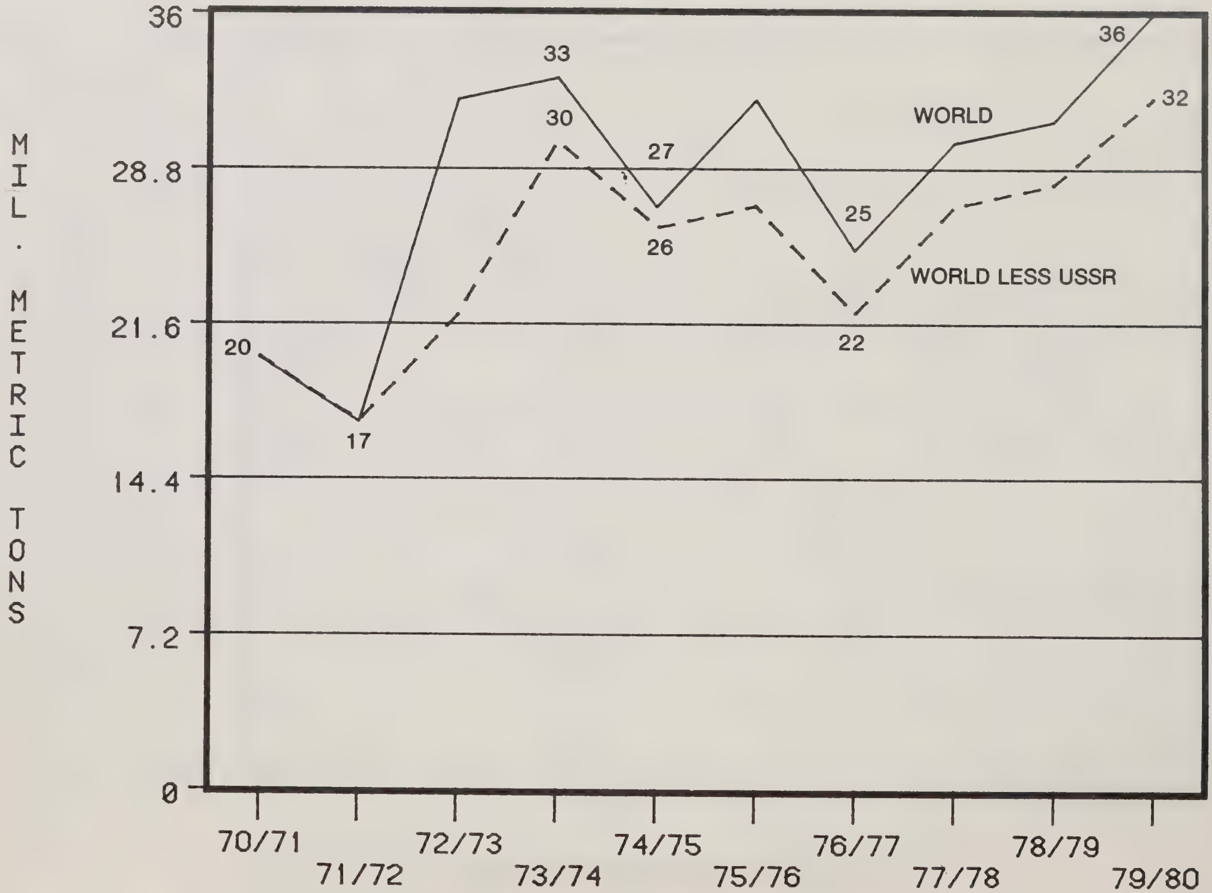
Mr. Chairman, it is my firm conviction that this suspension action, together with the other actions announced by the President, will serve notice on the Soviet Union that naked aggression against independent, non-aligned countries will not be tolerated by the United States. I strongly believe that by taking these steps, we will be accomplishing a great deal without nearly as much sacrifice on the part of the American people as other measures would have entailed.

I will be happy to respond to your questions.

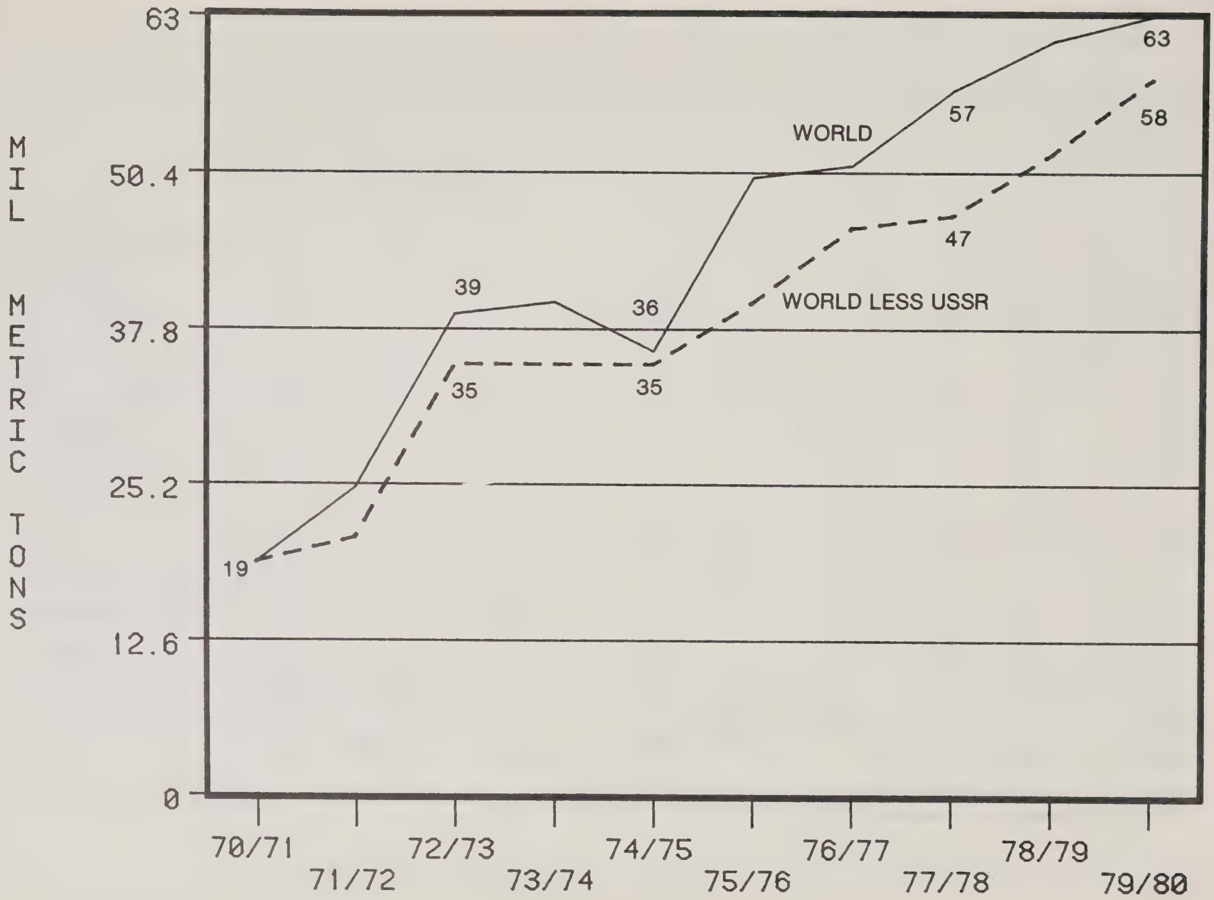
Daily Corn Prices: Futures and Cash



U.S. Wheat Exports



U.S. Feed Grain Exports



U.S. exports of wheat and coarse grains and soybeans by major destinations, 1976/77-1979/80 marketing years 1/

Destination	WHEAT				COARSE GRAINS				TOTAL			
	76/77	77/78	78/79	Forecast: 79/80	76/77	77/78	Estimate 78/79	Forecast: 79/80	76/77	77/78	78/79	Forecast 79/80
EC-9	1.5	2.3	2.3	2.2	17.4	10.6	9.4	11.0	18.9	12.9	11.7	13.2
Other W. Europe	0.5	0.8	1.0	1.3	5.9	7.5	6.5	7.0	6.4	8.3	7.5	8.3
Eastern Europe	1.5	1.2	0.7	3.2	4.7	4.1	6.0	6.4	6.2	5.3	6.7	9.6
USSR	2.6	3.4	2.6	4.5	3.1	11.1	11.3	5.0	5.7	14.5	13.9	9.5
Japan	3.3	3.2	3.2	3.3	10.9	11.3	11.7	12.5	14.2	14.5	14.9	15.8
High Income Asia 2/	3.0	2.9	3.1	3.2	2.5	3.9	4.9	6.0	5.5	6.8	8.0	9.2
Middle East (W. Asia)	2.0	2.0	2.9	2.1	1.5	1.5	1.5	2.0	3.5	3.5	4.4	4.1
China	---	---	2.7	1.5	---	---	2.9	2.0	---	---	5.6	3.5
Other Asia	2.6	2.0	2.7	2.6	0.1	0.1	---	0.1	2.7	2.1	2.7	2.7
Africa	3.5	4.6	4.2	4.9	1.0	1.3	1.0	1.8	4.5	5.9	5.2	6.7
Latin America	3.6	6.3	6.1	6.2	3.7	3.6	3.6	6.5	7.3	9.9	9.7	12.7
Other	1.7	1.9	1.0	1.1	1.3	1.2	1.3	2.4	3.0	3.1	2.3	3.5
TOTAL	25.8	30.6	32.5	36.1	52.2	56.1	60.2	62.7	78.0	86.7	92.7	98.8

1/ Marketing year begins June 1 for wheat, barley, and oats and October 1 for corn and grain sorghum.

2/ Korea, Taiwan, Singapore, Hong Kong, Indoesia

U.S. exports of soybeans and soybean meal, by destination, 1976/77-1979/80 marketing years 1/

Destination	Soybeans				Soybean meal			
	1976/77	1977/78	1978/79	Forecast 1979/80	1976/77	1977/78	1978/79	Forecast 1979/80
	---Million metric tons---				---Million metric tons---			
West Germany	1.23	1.18	1.30	1.70	.19	.28	.28	.32
Netherlands	3.64	4.21	4.30	4.58	.94	1.23	1.14	1.15
Italy	.88	.98	.98	1.09	.48	.81	.70	.70
France	.50	.56	.66	.76	.14	.21	.35	.35
Other W. Europe	2.48	3.67	3.67	4.00	.41	.58	.68	.70
East Europe	.17	.57	.55	.55	.92	1.07	1.43	1.45
USSR	.89	.80	1.19	.68	---	---	.03	---
Japan	3.75	3.90	4.18	4.18	.22	.26	.20	.22
China	---	.05	.14	.50	---	---	---	---
Taiwan	.78	.97	1.37	1.39	.02	---	---	---
Western Hemisphere	1.01	1.06	1.25	1.40	.75	.74	.91	.95
Others	.96	1.12	1.16	1.35	.09	.31	.21	.51
Total	16.29	19.07	20.76	22.18	4.16	5.49	5.92	6.35

1/ Marketing year begins September 1 for soybeans and October 1 for soybean meal.

U. S. and Soviet Grain Production and Trade

Marketing Year	U.S. Prod.	Total U.S. Exports	U.S. Exports to USSR 1/	USSR Prod.	Total USSR Imports 1/	U.S. Avg. Ann. Price 2/
	---Million metric tons---					---$/bu.---
1970/71						
Wheat	36.8	19.9	0	99.7	0.5	1.33
Coarse Grains	145.2	18.9	0	76.9	0.3	1.33
1971/72						
Wheat	44.1	16.9	0	98.8	3.5	1.34
Coarse Grains	188.3	24.5	2.9	72.6	4.3	1.08
1972/73						
Wheat	42.1	31.8	9.5	86.0	15.6	1.76
Coarse Grains	181.3	39.1	4.2	72.5	6.9	1.57
1973/74						
Wheat	46.6	32.9	2.7	109.8	4.5	3.95
Coarse Grains	186.1	40.4	5.2	101.0	6.4	2.55
1974/75						
Wheat	48.4	27.4	1.0	83.9	2.5	4.09
Coarse Grains	150.5	35.7	1.3	99.7	2.7	3.03
1975/76						
Wheat	57.8	31.7	4.0	66.2	10.1	3.56
Coarse Grains	184.7	50.0	9.9	65.8	15.6	2.54
1976/77						
Wheat	58.2	25.5	2.9	96.9	4.6	2.73
Coarse Grains	193.5	50.6	4.5	115.0	5.7	2.15
1977/78						
Wheat	55.4	30.6	3.3	92.2	6.7	2.33
Coarse Grains	203.4	56.3	9.2	92.6	11.7	2.02
1978/79						
Wheat	48.9	32.5	2.9	120.8	5.1	2.94
Coarse Grains	217.4	60.2	8.3	105.3	10.0	2.20
1979/80 3/						
Wheat	58.3	36.1	4/	86.0	9.8	3.60-3.90
Coarse Grains	233.9	62.7	4/	84.0	14.9	2.25-2.45

1/ July-June Year. 2/ Coarse grain price is for corn only. 3/ Forecast. 4/ The USSR may purchase up to 8 million tons of U.S. grain in the fourth agreement year (Oct. 1979-Sept. 1980).

U.S. Grain Support and Reserve Prices: 1979 and 1980 Crops

	Loan Rate	Target Price 1/	Reserve Release Level	Reserve Call Level
	---Dollars/Bushel---			
Wheat	2.50	3.40	3.75	4.63
Corn	2.10	2.20	2.63	3.05
Soybeans	4.50	---	---	---
Oats	1.08	---	1.35	1.57
Barley	1.71	2.40	2.14	2.48
Sorghum	2.00	2.34	2.50	2.90

1/ For 1979 crops only.

Net Farm Income

1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
---Billion dollars---									
14.1	13.2	17.8	29.9	27.7	21.1	21.2	20.1	28.1	32

Soviet Livestock Industry

Year	Numbers (as of January 1): Cattle	Hogs	Poultry	Total Meat Production
	--------Million head----------			--Million tons--
1970	95.2	56.1	590.3	12.3
1971	99.2	67.5	652.7	13.3
1972	102.4	71.4	686.5	13.6
1973	104.0	66.6	700.0	13.5
1974	106.3	70.0	747.7	14.6
1975	109.1	72.3	792.4	15.0
1976	111.0	57.9	734.4	13.6
1977	110.3	63.1	796.0	14.7
1978	112.7	70.5	882.3	15.5
1979	114.1	73.5	953.2	15.3 1/

1/ Estimate.

Total Grain Consumption and Stocks

Year	Consumption: World Total	U.S.	USSR	Stocks: World	U.S.	U.S. Farmer-Owned Reserve 1/
			---Million metric tons---			
1970/71	1,138	164	187	166	56	---
71/72	1,166	175	181	183	74	---
72/73	1,191	181	187	141	48	---
73/74	1,251	177	214	147	31	---
74/75	1,217	141	206	134	28	---
75/76	1,238	154	180	140	37	---
76/77	1,305	152	221	196	62	---
77/78	1,339	161	227	191	75	20
78/79	1,415	179	231	227	73	27
79/80 2/	1,418	182	222	207	87	32

1/ Included in U.S. stocks total; instituted in 1977/78.
2/ U.S. and UUSR forecasts as of 1/15/80; world forecasts as of 1/17/80.

Monthly Export Inspections

Month	Wheat: Total inspections	Wheat: Shipped to USSR	Wheat: % of Total	Corn: Total inspections	Corn: Shipped to USSR	Corn: % of Total
	---Million bushels---			---Million bushels---		
1978						
January	76.7	13.0	16.9	121.4	30.3	25.0
February	80.2	15.7	19.6	133.4	37.9	28.4
March	100.5	13.0	12.9	150.7	55.9	37.1
April	96.6	19.9	20.6	166.6	49.2	29.5
May	121.7	5.4	4.4	195.9	60.8	31.0
June	110.0	5.6	5.1	216.0	56.4	26.1
July	111.0	8.4	7.6	168.2	25.5	15.2
August	125.7	13.9	11.1	186.9	36.1	19.3
September	116.1	.8	.7	166.9	17.3	10.4
October	116.5	4.7	4.0	136.0	19.3	14.2
November	92.7	.9	1.0	155.6	9.8	6.3
December	91.5	4.0	4.4	157.0	6.2	3.9
Total	1,239.2	105.3	8.5	1,954.6	404.7	20.7
1979						
January	70.0	7.1	10.1	125.9	6.7	5.3
February	59.9	8.0	13.4	128.3	11.7	9.1
March	73.7	15.3	20.8	164.8	34.5	20.9
April	73.2	14.2	19.4	183.9	28.1	15.3
May	83.4	11.2	13.4	203.9	48.7	23.9
June	100.6	15.7	15.6	225.1	49.6	22.0
July	129.4	16.8	13.0	241.9	75.2	31.1
August	119.9	16.6	13.8	222.1	73.3	33.0
September	112.5	20.4	18.1	188.4	47.2	25.1
October	141.4	25.2	17.8	198.4	28.5	14.4
November	116.2	18.3	15.7	232.2	39.8	17.1
December	113.8	22.2	19.5	220.5	51.0	23.1
Total	1,194.0	191.0	16.0	2,335.4	494.3	21.2

Futures and cash prices for corn, wheat and soybeans 1/

Month & date	Futures			Cash								
				Corn						Wheat		Soybeans
	Corn 2/	Wheat 2/	Soybeans 2/	Chicago 3/	Omaha 3/	Iowa 4/	W. Kansas 5/	Columbia S.C.6/	Portland 7/	Chicago 8/	Kansas City9/	Chicago 10/
Jan. 3	2.87	4.46	6.70	2.63	2.35	2.18	2.44	2.83	3.14	4.36	4.40	6.23
Jan. 4	2.84	4.46	6.66	2.56	2.33	2.15	NQ	2.83	3.12	4.36	4.39	6.15
Jan. 7	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ
Jan. 8	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ
Jan. 9	2.74	4.26	6.36	2.39	2.02	1.94	NQ	NQ	NQ	3.96	4.05	5.63
Jan. 10	2.65	4.15	6.52	2.30	2.09	1.86	2.21	2.48	NQ	4.05	4.01	5.97
Jan. 11	2.73	4.25	6.58	2.53	2.21	2.04	2.28	2.48	3.02	4.15	4.14	6.05
Jan. 14	2.70	4.27	6.58	2.51	2.24	2.02	2.26	2.63	3.00	4.17	4.20	6.06
Jan. 15	2.71	4.33	6.56	2.52	2.25	2.04	2.26	2.64	3.06	4.23	4.26	6.16
Jan. 16	2.70	4.35	6.55	2.50	2.23	2.06	2.26	2.64	3.04	4.25	4.28	6.20
Jan. 17	2.77	4.54	6.77	2.57	2.29	2.11	2.34	2.70	3.11	4.44	4.35	6.42
Jan. 18	2.73	4.51	6.71	2.53	2.25	2.10	2.34	2.70	3.08	4.41	4.35	6.36
Jan. 21												
Jan. 22												
Jan. 23												
Jan. 24												
Jan. 25												

NQ = no quote. 1/ Dollars per bushel. 2/ March contracts, Chicago Board of Trade. 3/ Cash prices at terminals for #2 yellow corn. 4/ Midpoint of price range bid to farmers at elevators in Central Iowa. 5/ Midpoint of price range bid to farmers at elevators in Eastern Colorado and Western Kansas. 6/ Prices at elevators for Central areas of S. C. 7/ Prices at elevators at Eastern origins #2 yellow. 8/ Prices at terminals for #1 soft red winter. 9/ Prices at terminals for #1 hard red winter. 10/ Prices at terminals for #1 yellow.